

Message Text

PAGE 01 TOKYO 00002 030513Z

15

ACTION COME-00

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 L-03 H-03 SEC-03 RSR-01 /155 W

----- 126757

R 030407Z AUG 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 5797

INFO USMISSION OECD PARIS

LIMITED OFFICIAL USE SECTION 2 OF 2 TOKYO 9908

(E) BOARD OF DIRECTORS APPROVAL FOR QTE TAKEOVER UNQTE. WATANABE STATED THAT DISCUSSIONS WITH MANAGEMENT AND FAVORABLE DECISION BY BOARD OF DIRECTORS WOULD BE REQUIRED PRIOR TO A FOREIGN INTEREST DIRECTLY APPROACHING STOCKHOLDERS.

ONCE FAVORABLE DECISION OF BOARD OF DIRECTORS RECEIVED, HE THOUGHT IT UNLIKELY THAT MINORITY OF STOCKHOLDERS WOULD BE ABLE BLOCK ACQUISITION OF CONTROL BY FOREIGN FIRM. HE NOTED THAT IN JAPAN THE BOARD OF DURECTORS WOULD NOT NORMALLY REFER SUCH A DECISION TO A GENERAL STOCKHOLDERS' MEETING FOR APPROVAL. THUS, IF ARTICLES OF INCORPORATION OF FIRM SET NO LIMITE ON FOREIGN PARTICIPATION, TAKEOVER WILL BE FINALLY DECIDED BY STOCKHOLDERS DECIDING TO SELL OR NOT TO SELL. WHEN APPROACHED BY PROSPECTIVE FOREIGN PURCHASER. HE NOTED THAT GOJ IN PAST HAS APPROVED FOREIGN PARTICIPATION WHICH EXCEEDED 25 PERCENT LIMIT, E.G. SONY. SHOULD BOARD OF DIRECTORS VOTE AGAINST FOREIGN TAKEOVER, THEN PRESENT RULES GOVERNING FOREIGN PARTICIPATION IN NON-LIBERALIZED INDUSTRIES, I.E. MAXIMUM SHARE OF 10 PERCENT BY INDIVIDUAL OR FIRM AND 25 PERCENT BY ALL FOREIGN PARTICIPANTS, WOULD BE APPLIED TO SUBJECT FIRM.

(F) PRECISE NUMBER OF INDUSTRIES LIBERALIZED. WATANABE
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 TOKYO 00002 030513Z

DECLINED PROVIDE SPECIFIC NUMBER. HE NOTED THAT UNTIL FOURTH LIBERALIZATION PLAN, ADOPTED AUGUST 4, 1971, INDUSTRIES INCLUDED HAD BEEN DRAWN FROM JAPANESE INDUSTRIAL CLASSIFICATION LIST. THUS UNDER FOURTH LIBERALIZATION PLAN

IT HAD BEEN RELEVANT TO STATE THAT 228 INDUSTRIES HAD BEEN FULLY LIBERALIZED. UNDER CURRENT PLAN STRICT ADHERENCE TO JAPANESE INDUSTRIAL CLASSIFICATION LIST NOT BEING FOLLOWED. IT IS THEREFORE NOT POSSIBLE TO PROJECT CURRENTLY LIBERALIZED INDUSTRIES FROM FIGURES FORMERLY USED UNDER FOURTH LIBERALIZATION PLAN. GIVEN SCOPE OF PRESENT PLAN, WATANABE SUGGESTED IT MORE MEANINGFUL TO LOOK AT AREAS REMAINING TO BE LIBERALIZED THAN TO ATTEMPT QUANTIFY NUMBER OF QTE INDUSTRIES UNQTE THAT HAVE BEEN FULLY LIBERALIZED.

4. WATANABE ALSO CONFIRMED AS CORRECT EMBASSY RESPONSE PROVIDED REF C.

5. COMMENT: DURING COURSE OF LENGTHY DISCUSSION, WATANABE ON SEVERAL OCCASIONS MADE POINT OF FACT THAT CONTROLS RETAINED BY GOJ BASED ON AND CONSISTENT WITH OECD CODE WHICH PROVIDES FOR PROTECTION AGAINST SIGNIFICANT DETRIMENTAL EFFECT TO ECONOMY OF RECEIVING COUNTRY FROM FOREIGN INVESTMENT.

SHOESMITH

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO00002
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730869/abqcekus.tel
Line Count: 77
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 19 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Aug-2001 by izenbei0>; RELEASED <19-Nov-2001 by morefirh>; APPROVED <19-Nov-2001 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: ETRD
To: STATE INFO OECD PARIS
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005